Insurance reforms

992. SHRI PRANAB MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Finance Minister in his address at the 6th CII Insurance Summit has emphasized on Insurance reforms; and

(b) if so, what steps Government propose to take to carry those reforms?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) The Insurance Amendment Bill, 2001 which has been introduced in the Lok Sabha contains provisions to allow entry of co-operatives in the insurance sector for increasing the coverage in the rural areas, provisions relating to payment of commission and fee for insurance intermediaries, flexible mode of payment of premium through credit cards, smart cards, internet etc. flexibility in the eligibility qualifications for corporate agents and consequential amendments. This Bill and the General Insurance Business (Nationalisation) Amendment Bill, 2001 which proposes to delink the General Insurance Corporation from its subsidiaries, referred to the standing Committee on Finance.

FDI in insurance sector

993. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to raise the percentage of foreign direct investment in the insurance sector;

(b) if so, what is the decision, if any, taken by Government in this regard stating the reasons therefor; and

(c) what is its likely impact on the insurance sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) No, Sir. There is no proposal under consideration of Government to raise the percentage of foreign direct investment in insurance sector.